

State of Alaska - Air Permits Program
Owner Requested Limit Letter of Approval
FINAL

STATIONARY SOURCE IDENTIFICATION:

No. AQ1104ORL01

Owner:	Alaska Industrial Development and Export Authority
Operator:	Minto Exploration Limited; Sherwood Copper Corporation
Stationary Source:	Skagway Ore Terminal
Stationary Source Address:	No. 1 Ore Terminal Road
City, State, Zip:	Skagway, AK
Location:	59° 27' 00" North; 135° 15' 15" West
Stationary Source Contact:	Karl Reiche, email: kreiche@aidea.org
Phone Number:	(907) 269-3034

The above-named Owner/Operator has submitted a complete application for an owner-requested limit (ORL) under 18 AAC 50.225(b) for the Skagway Ore Terminal. The Department of Environmental Conservation (Department) approves the ORL to restrict the stationary source allowable emissions and potential to emit. The Department certifies that the ORL is effective as of the date noted below.

In accordance with 18 AAC 50.225(f), the Owner/Operator has agreed to the conditions listed on the following pages.

The Owner/Operator may revise the terms or conditions of this approval under 18 AAC 50.225(h)(1) by submitting a new request under 18 AAC 50.225(b). The Owner/Operator may request the Department revoke the limit in accordance with 18 AAC 50.225(h)(2). This limit remains in effect until the Department approves a new limit or revokes it.

I understand and agree to the terms and conditions of this approval.

FOR MINTO EXPLORATIONS LTD

[Signature] Wm W DUNN
Owner or Operator Printed Name

Title: MANAGER, REGULATORY & CORPORATE AFFAIRS

Department Approval:

[Signature]
John F. Kuterbach, Program Manager
Air Permits Program

10/18/07
Owner Requested Limit Effective Date

CONDITIONS:

1. **Owner Requested Limit to stay below 15 tpy PM-10.** Limit the stationary source emissions of particulate matter with an aerodynamic diameter less than 10 microns (PM-10) to less than 15 tons per any 12 consecutive months (tpy).
 - 1.1 Ensure that the truck unloading station, the concentrate storage building (CSB), and the ship loading operations are fully enclosed prior to operation.
 - 1.2 Operate Emission Unit 2 listed in Table 1 at all times when conducting truck unloading and active ore storage operations in the CSB.
 - 1.3 Operate Emission Unit 1 **and** Emission Unit 2 listed in Table 1 at all times when conducting ship loading operations.¹
 - 1.4 Limit the operations of Emission Unit 2 (Baghouse B) (and hence the total time of all truck unloading/active ore storage operation, combined truck unloading/active ore storage operations and ship loading operations) to no more than 1,500 hours per 12 consecutive months as follows:
 - a. Record the starting and ending time (to nearest minute) and date of all truck unloading.
 - b. Record the starting and ending time (to nearest minute) and date of all ship loading.
 - c. Record the starting and ending time (to nearest minute) of Unit 2 (Baghouse B) operation.
 - d. By the end of each calendar month, calculate and record the monthly and 12 consecutive month hours of Unit 2 (Baghouse B) for the previous calendar month.
 - 1.5 Do not cause or allow PM emitted from Emission Unit 2 listed in Table 1 to exceed 0.05 grains per cubic foot of exhaust gas corrected to standard conditions and averaged over three hours.²
 - a. Conduct a PM source test in accordance with the methods and procedures specified in 40 C.F.R. 60, Appendix A within 60 days of ORL issuance. Record the pressure drop at the time of the source test.

¹ As described in the application, Baghouse A will control emissions from the ship loading operation and will exhaust into the CSB. Baghouse B will control emissions from the truck unloading operation and the CSB. Baghouse B, which will also operate during ship loading, will exhaust into the atmosphere. Baghouse B is an existing, three-stage control device with a roll pre-filter, a bag filter with 90 to 95 percent average efficiency, and Astrocel II high efficiency particulate air (HEPA) filters with 99.7 percent average efficiency.

² The ORL is based on PM emissions meeting the state standard of 0.05 grains per dry standard cubic foot and a baghouse capacity of 45,450 cubic feet per minute (as requested in the July 2007 application for this ORL). As this is a state standard to which the unit is subject, this is an appropriate basis for the ORL. (The Department notes that minor permit applicability is based on PM-10, which is a subset of PM, so PM-10 should be lower than required in this condition.) This authorization requires the Owner/Operator to verify that the baghouse complies with the PM limit by conducting a source test. Emissions are highly dependant on baghouse efficiency, so the authorization requires Owner/Operator to actively maintain the baghouse.

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- b. Monitor the pressure drop across the baghouse each day that it operates to ensure that it is within the limits recommended by the manufacturer.
 - c. Inspect the baghouse prior to initial start-up, whenever the pressure drop across the baghouse is not within the limits recommended by the manufacturer, and every 180 days of operation. Within 72 hours of discovering a worn or damaged bag, shutdown the baghouse if in operation. Do not restart the baghouse with a worn or damaged bag. Keep an adequate supply of spare bags on the premises to ensure compliance with this condition.
 - d. Maintain maintenance logs detailing pressure drop across baghouse, baghouse inspections and bag replacements. Keep records as set out by condition 2.
 - 2. **Recordkeeping Requirements.** Keep all records required by this ORL for at least five years from the date of collection.
 - 3. **Annual Operating Reports.** Submit one copy and the original of an annual operating report for the stationary source to the Department, Air Permits Program, 610 University Avenue, Fairbanks, Alaska 99709-3643 by February 1 for the preceding calendar year. Certify the report as specified in 18 AAC 50.205 by having the responsible official sign after the following statement, “Based on information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this document are true, accurate, and complete.” Attach copies of all excess emission and deviation forms submitted to ADEC during the reporting period pursuant to condition 4.
 - 4. **Excess Emissions and Deviation Reports.** Report all emissions or operations that exceed or deviate from the requirements of this ORL limit as follows:
 - 4.1 In accordance with 18 AAC 50.240(c), as soon as possible after the event commences or is discovered, report emissions that present a potential threat to human health or safety; and excess emissions believed to be unavoidable.
 - 4.2 Report all other excess emissions and deviations:
 - a. within 30 days of the end of the month in which the emissions or deviation occurs, except as provided in condition 4.2b; and
 - b. if a continuous or recurring excess emission is not corrected within 48 hours of discovery, report within 72 hours of discovery unless the Department provides written permission to report under condition 4.2a.
 - 4.3 When reporting excess emissions and deviations, use either the Department’s on-line form, which is in Attachment A and at <http://www.dec.state.ak.us/air/ap/docs/eeform.pdf>, or provide all information called for by that form.
 - 4.4 If requested by the Department, provide a more detailed written report as requested to follow up an excess emissions report.

Statement of Avoided Requirement:

The potential to emit for the emission units listed in Table 1 will be less than 15 tpy of PM-10 (the emission units do not emit nitrogen oxides, sulfur dioxide, lead, and is not with 10 kilometers of a nonattainment area). The ORL limits total hours of operation of Emission Unit B to less than 1,500 hours per 12 consecutive months, which corresponds to 14.6 tpy of PM-10 using the state PM emission standard limit of 0.05 grains per dry standard cubic foot.

Consistent with the definition of “potential to emit” listed in AS 46.14.990(23), the capacity of the stationary source to emit an air pollutant is verifiable through the monitoring, record keeping, and reporting contained in this approval. By limiting the potential to emit of the emission units listed in Table 1, the Owner/Operator is avoiding the requirement to obtain a minor permit by avoiding the requirement to get a minor permit for the construction of the stationary source under AS 46.14.130(c) and 18 AAC 50.502(c)(1).

Table 1 - Emission Unit Inventory Subject to Limits

ID	Unit Name	Unit Description	Install Date	Rating/Size
1 ^a	Baghouse A	Controls emissions from ship loading operations	TBD	45,450 cfm
2	Baghouse B	Controls emissions from truck unloading operations and the CSB		45,450 cfm

^a Emission Unit 1 exhausts to the CSB, it does not emit to the atmosphere.

Attachment A. ADEC Notification Form

Skagway Ore Terminal AQ1104ORL01
Stationary Source Name Air Quality ORL Number
Minto Explorations Limited/Sherwood Copper Corporation
Company Name

When did you discover the Excess Emissions/Deviation?

Date: / / Time: :

When did the event/deviation?

Begin: Date: / / Time: : (please use 24hr clock)
End: Date: / / Time: : (please use 24hr clock)

What was the duration of the event/deviation: : (hrs:min) or days
(total # of hrs, min, or days, if intermittent then include only the duration of the actual emissions/deviation)

Reason for notification: (please check only 1 box and go to the corresponding section)

- ☐ Excess Emissions - Complete Section 1 and Certify
☐ Deviation from ORL Conditions - Complete Section 2 and Certify
☐ Deviation from COBC, CO, or Settlement Agreement - Complete Section 2 and Certify

Section 1: Excess Emissions

(a) Was the exceedance ☐ Intermittent or ☐ Continuous

(b) Cause of Event (Check one that applies):

- ☐ Start Up/Shut Down ☐ Natural Cause (weather/earthquake/flood)
☐ Control Equipment Failure ☐ Scheduled Maintenance/Equipment Adjustments
☐ Bad fuel/coal/gas ☐ Upset Condition ☐ Other

(c) Description

Describe briefly what happened and the cause. Include the parameters/operating conditions exceeded, limits, monitoring data and exceedance.

(d) Emission Units Involved:

Identify the emission unit involved in the event, using the same identification number and name as in the ORL. Identify each emission standard potentially exceeded during the event and the exceedance.

Unit ID	Unit Name	ORL Condition Exceeded/Limit/Potential Exceedance

(e) Type of Incident (please check only one):

- | | | |
|--|--|---|
| <input type="checkbox"/> Opacity % | <input type="checkbox"/> Venting (gas/scf) | <input type="checkbox"/> Control Equipment Down |
| <input type="checkbox"/> Fugitive Emissions | <input type="checkbox"/> Emission Limit Exceeded | <input type="checkbox"/> Record Keeping Failure |
| <input type="checkbox"/> Marine Vessel Opacity | <input type="checkbox"/> Failure to monitor/report | <input type="checkbox"/> Flaring |
| <input type="checkbox"/> Other: | | |

(f) Unavoidable Emissions:

- Do you intend to assert that these excess emissions were unavoidable? ☐ YES ☐ NO
- Do you intend to assert the affirmative defense of 18 AAC 50.235? ☐ YES ☐ NO

Certify Report (go to end of form)

Section 2. Deviations

(a) Deviation Type (check one only box, corresponding with the section in the ORL)

- ☐ Emission Unit Specific
- ☐ General Source Test/Monitoring Requirements
- ☐ Recordkeeping/Reporting/Compliance Certification
- ☐ Standard Conditions Not Included in ORL
- ☐ Generally Applicable Requirements
- ☐ Reporting/Monitoring for Diesel Engines
- ☐ Insignificant Emission Unit
- ☐ Stationary Source Wide
- ☐ Other Section: (title of section and section number of your ORL)

(b) Emission Unit Involved:

Identify the emission unit involved in the event, using the same identification number and name as in the ORL. List the corresponding ORL condition and the deviation.

Unit ID	Unit Name	ORL Condition /Potential Deviation

(c) Description of Potential Deviation:

Describe briefly what happened and the cause. Include the parameters/operating conditions and the potential deviation.

(d) Corrective Actions:

Describe actions taken to correct the deviation or potential deviation and to prevent future recurrence.

Certification:

Based on information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this document are true, accurate, and complete.

Printed Name: _____ Title: _____ Date: _____
Signature: _____ Phone Number: _____

To Submit this Report:

Fax to: 907-451-2187;

Email to: airreports@dec.state.ak.us - *if emailed, the report must be certified within the operating report required for the same reporting period;*

Mail to: ADEC, Air Permits Program, 610 University Avenue, Fairbanks, AK 99709-3643;

Phone Notification: 907-451-5173 - *phone notifications require a written follow-up report within the deadline listed in condition 4; OR*

Online Submission: *(Website is not yet available) - if submitted online, the report must be certified within the operating report required for the same reporting period.*